

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

IRONNET, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-11710 (BLS)

(Jointly Administered)

Objection Deadline: March 4, 2024 at 4:00 p.m. (ET)

**SECOND MONTHLY FEE APPLICATION OF RIVERON RTS, LLC, AS FINANCIAL
ADVISOR TO THE DEBTORS, FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD FROM
JANUARY 1, 2024 THROUGH JANUARY 31, 2024**

Name of Applicant	Riveron RTS, LLC
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	November 8, 2023 (order entered on November 20, 2023)
Period for which Compensation and Reimbursement Is Sought:	January 1, 2024 Through January 31, 2024
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$466,282.75
80% of Compensation Sought as Actual, Reasonable and Necessary:	\$373,026.20
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	\$1,311.00

This is a X monthly interim final application.

This application includes 3.5 hours and \$1,847.50 in fees incurred in connection with the preparation of fee applications.

¹ The Debtors in the above captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: IronNet, Inc. (9446), IronNet Cybersecurity, Inc. (2655), IronNet International, LLC (7621), IronCAD LLC (1162), and HighDegree, LLC (8474). The Debtors' corporate headquarters is located at 7900 Tysons One Place, Suite 400, McLean, VA 22102.

Prior Applications:

		Requested		Approved	
Dated Filed	Period Covered	Fees	Expenses	Fees	Expenses
1/8/24	11/8 – 12/31	\$244,520	\$0		

COMPENSATION BY INDIVIDUAL

Professional	Title	Hourly Rate*	Hours	Amount
Robert Wagstaff	Managing Director	\$775 / \$800	42.1	\$33,405.00
Sasha Morozova	Managing Director	\$735 / \$765	16.4	\$12,546.00
David Anders	Managing Director	\$735 / \$760	15.0	\$11,475.00
Anne Heffington	Managing Director	\$735 / \$760	1.1	\$841.50
Frank Cottrell	Director	\$640 / \$670	1.7	\$1,139.00
Brad Goldsmith	Director	\$565 / \$620	58.4	\$35,471.00
Maryam Nicholes	Director	\$595 / \$615	77.7	\$47,769.50
Peter Meyer	Director	\$595 / \$615	60.6	\$37,269.00
Valerie Flanigan	Director	\$525 / \$615	187.6	\$114,492.00
Patryk Kopytko	Senior Associate	\$525 / \$550	50.4	\$27,222.50
Eric Van Auken	Senior Director	\$525 / \$545	2.5	\$1,362.50
Rachel Baesler	Associate Director	\$525 / \$545	25.5	\$13,897.50
Matt Horton	Contractor	\$525 / \$545	6.0	\$3,270.00
Christina Sun	Manager	\$440 / \$455	39.1	\$17,688.25
Kyle Fishbeck	Manager	\$440 / \$455	28.0	\$12,740.00
Seth Perry	Manager	\$385 / \$455	188.2	\$84,294.00
Frank Cadena	Senior Associate	\$385 / \$400	19.0	\$7,600.00
Matthew Reiss	Senior Associate	\$385 / \$400	6.5	\$2,600.00
Cathrine Vela	Senior Associate	\$385 / \$400	3.0	\$1,200.00
Total			828.8	\$466,282.75

*Riveron has increased its rates, effective 1/8/2024.

COMPENSATION BY TASK CODE

Task Code	Hours	Amount
Accounting and Auditing (ACCG)	524.4	\$283,922.25
Business Operations of the Debtor (OPER)	31.2	\$18,371.00
Case Administration (ADMN)	8.4	\$4,640.00
Claims Administration and Objections (CLMS)	15.4	\$9,251.00
Court Hearings and Related Matters (HEAR)	1.1	\$755.00
Data Analysis (DATA)	0.4	\$220.00
Executory Contracts and Unexpired Leases (EXEC)	1.1	\$727.50
Financing/Cash Collateral (CASH)	8.2	\$4,713.00
General Case Strategy (CASE)	19.1	\$13,338.00
Non-Working Travel Time (TRVL)	8.0	\$6,400.00
Other Parties' Retention/Fee Applications (FEEO)	3.7	\$2,372.50
Plan and Disclosure Statement (PLAN)	45.8	\$29,491.50
Professionals' Retention/Fee Applications (FEEC)	7.1	\$3,742.50
Tax Issues (TAXS)	154.9	\$88,338.50
Total Fees	828.8	\$466,282.75

EXPENSE SUMMARY

Expense Category	Additional Detail	Total Expense
Airfare (1/17 - 1/18)	R. Wagstaff; Delta Airlines; Round Trip from ATL to PHI; Attending Court Hearing	\$696.20
Lodging (1/17 – 1/18)	R. Wagstaff; Courtyard Wilmington Downtown; Attending Court Hearing	\$255.35
Airport Meal (1/18)	R. Wagstaff; Lunch; Out of Town Travel to Court Hearing; PHI Airport	\$76.89
Ground Transportation (1/17)	R. Wagstaff; Taxi from Home to ATL Airport; Attending Court Hearing	\$90.00
Ground Transportation (1/17)	R. Wagstaff; Uber from PHI Airport to Wilmington; Attending Court Hearing	\$102.56
Ground Transportation (1/18)	R. Wagstaff; Taxi from ATL Airport to Home; Attending Court Hearing	\$90.00
Total Fees		\$1,311.00

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JANUARY 1, 2024 THROUGH JANUARY 31, 2024**

Riveron RTS, LLC (“Riveron”), financial advisor to the above-captioned debtors and debtors-in-possession (the “Debtors”), hereby submits this *Second Monthly Fee Application of Riveron RTS, LLC, as Financial Advisor to the Debtors, for Allowance of Compensation and Reimbursement of Expenses Incurred for the Period from January 1, 2024 through January 31, 2024* (the “Application”) for financial advisory services performed during the period commencing from January 1, 2024 through and including January 31, 2024 (the “Application Period”). In support of the Application, Riveron respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue lies properly in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

¹ The Debtors in the above captioned chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: IronNet, Inc. (9446), IronNet Cybersecurity, Inc. (2655), IronNet International, LLC (7621), IronCAD LLC (1162), and HighDegree, LLC (8474). The Debtors’ corporate headquarters is located at 7900 Tysons One Place, Suite 400, McLean, VA 22102.

2. The relief sought with this Application is based upon sections 327(a), 328, and 330 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), the Federal Rules of Bankruptcy Procedures, and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

BACKGROUND

3. On October 12, 2023 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”), thereby commencing these chapter 11 cases (collectively, the “Cases”).

4. The Debtors continue to operate and manage their business as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On November 20, 2023, the Debtors filed the *Debtors’ Application for an Order Authorizing the Employment and Retention of Riveron RTS, LLC as Financial Advisor, Effective as of November 8, 2023* [D.I. 160] (the “Riveron Retention Application”).

6. On December 8, 2023, the Court entered the *Order Authorizing the Employment and Retention of Riveron RTS, LLC as Financial Advisor to the Debtors, Effective as of November 8, 2023* [D.I. 206].

7. On November 9, 2023 the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [D.I. 112] (the “Interim Compensation Order”).

TERMS AND CONDITIONS OF COMPENSATION OF RIVERON

8. Subject to Court approval, Riveron seeks payment for compensation on an hourly basis, plus reimbursement of actual, necessary expenses incurred by Riveron during the

Application Period, if applicable. The rates charged by Riveron in these Cases do not differ from the rates charged to Riveron's non-bankruptcy clients.

9. A summary of the hours spent, the names of each professional and paraprofessional rendering services to the Debtors during the Application Period, the regular customary billing rates and the total value of time incurred by each of the Riveron professionals rendering services to the Debtors is attached hereto as Exhibit A. A summary of the hours spent, organized by task code, is attached hereto as Exhibit B. An expense summary by expense category is attached hereto as Exhibit C. A statement of the detailed time entries by task code and professional is attached hereto as Exhibit D. All time entries are in compliance with Local Rule 2016-2.

10. Pursuant to the Interim Compensation Order, Riveron and other professionals retained in these Cases are authorized to file and to serve upon the parties identified in the Interim Compensation Order monthly fee applications (a "Monthly Fee Application") of their fees and expenses. After the expiration of a twenty (20) day objection period, the Debtors are authorized to promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in the Monthly Fee Application, unless an objection has been lodged against specific fees and/or expenses, or the Court orders otherwise.

11. In accordance with the Interim Compensation Order, Riveron has filed and served upon the parties identified in the Interim Compensation Order this Application with respect to fees in the amount of \$466,282.75 incurred during the Application Period.

12. All services and costs for which compensation is requested by Riveron in this Application were reasonable and necessary and were performed for and on behalf of the Debtors during the Application Period.

SUMMARY OF FEES

13. Professional services and disbursements for which compensation and reimbursement are sought were rendered and expended on behalf of the Debtors pursuant to chapter 11 of the Bankruptcy Code. Riveron believes it is appropriate that it be compensated for the time spent and be reimbursed for the disbursements incurred in connection with these matters. All of the fees and disbursements sought to be paid or reimbursed in this Application were actual, necessary, and reasonable, and benefited the Debtors' estates and creditors.

14. A summary of the professional services that Riveron rendered to the Debtors during the Application Period are set forth in detail in Exhibit B.

15. As described in more detail below, during the Application Period, Riveron advised the Debtors on a broad range of issues:

A. Accounting and Auditing (ACCG): Total Hours: 524.4; Total Fees: \$283,922.25

Included within this task code are activities related to maintaining and auditing books of account, preparation of financial statements and account analysis. Includes activities related to the preparation of SEC filings (10-Qs) for fiscal Q1, Q2, and Q3 2023 by Riveron's Accounting Advisory Team.

B. Business Operations of the Debtor (OPER): Total Hours: 31.2; Total Fees: \$18,371.00

Included within this task code classification are issues related to the Debtors operating during the Cases, such as employee and vendor issues. Includes operational diligence, review of business plans, cash flow projections, preparation of Monthly Operating Reports.

C. Case Administration (ADMN): Total Hours: 8.4; Total Fees: \$4,640.00

Included within this task code classification are services related to WGL, email distributions, staffing, other coordination activities, etc., as well as contacts with the US Trustee.

D. Claims Administration and Objections (CLMS): Total Hours: 15.4; Total Fees: \$9,251.00

Including bar date and notice issues, as well as issues related to proof of claim forms. Also includes specific claim inquiries and analyses, objections and allowances of claims.

E. Court Hearings and Related Matters (HEAR): Total Hours: 1.1; Total Fees: \$755.00

Included within this task code is time related to attending court hearings.

F. Data Analysis (DATA): Total Hours: 0.4; Total Fees: \$220.00

Included within this task code classification are services related to management information systems review, installation and analysis, construction, maintenance and reporting of significant case financial data, lease rejection, claims, etc.

G. Executory Contracts and Unexpired Leases (EXEC): Total Hours: 1.1 Total Fees: \$727.50

Included within this task code classification is time related to creating and reviewing Schedules & SOFAs. Includes assumption of contracts issues. (§ 365 matters).

H. Financing / Cash Collateral (CASH): Total Hours: 8.2 Total Fees: \$4,713.00

Included within this task code classification is time related to DIP financing and exit financing issues, cash collateral, secured claims and analysis of loan documents.

I. General Case Strategy (CASE): Total Hours 19.1; Total Fees: \$13,338.00

Included within this task code classification is time related to external and internal case planning calls and activities.

J. Non-Working Travel Time (TRVL): Total Hours: 8.0; Total Fees: \$6,400.00

Travel time related to hearings.

K. Other Parties' Retention / Fee Applications (FEEO): Total Hours: 3.7; Total Fees: \$2,372.50

Included within this task code is time expended on review of and objections to the retention and fee applications of professionals for the Debtors and other parties.

L. Plan and Disclosure Statement (PLAN): Total Hours: 45.8; Total Fees: \$29,491.50

Included within this task code classification is time incurred directly related to solicitation and voting matters. Includes formulation, presentation and confirmation, compliance with plan confirmation order, related orders and rules. Does not include issues related to allowance and objections to the allowance of claims.

M. Professionals' Retention / Fee Applications (FEEC): Total Hours: 7.1; Total Fees: \$3,742.50

Included within this task code is time expended on preparation of employment and fee applications for Debtor professionals and motions to establish interim procedures.

N. Tax Issues (TAXS): Total Hours: 154.9; Total Fees: \$88,338.50

Time incurred under this task code includes activities related to tax accounting and filing.

COMPENSATION REQUESTED

16. Riveron expended 828.8 hours during the Application Period on behalf of the Debtors. Riveron requests allowance of compensation in the amount of \$466,282.75 for financial advisory services rendered during the Application Period. Pursuant to the Interim Compensation Order, Riveron requests payment of 80% of the total fees requested, or \$373,026.20. None of the requested fees detailed herein have been paid to date.

REIMBURSEMENT OF EXPENSES

17. During the Application Period, Riveron incurred \$1,311.00 of necessary, out-of-pocket expenses in rendering financial advisory services to the Debtors.

WHEREFORE, Riveron respectfully requests that the Court (i) grant the Application and (ii) grant such further relief as is just and proper.

Dated: February 13, 2024

Riveron RTS, LLC

By: Robert Wagstaff

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Financial Advisor to the Debtors